

**CITY OF LANSING
JOINT POLICE AND FIRE RETIREMENT SYSTEM
and
EMPLOYEES' RETIREMENT SYSTEM
BOARD MEETING MINUTES**

Joint Meeting
Council Conference Room
10th Floor City Hall
Lansing, MI

February 17, 2017
Tuesday, 9:15 a.m.

The meeting was called to order at 9:20 a.m.

A quorum of both the Employees' Retirement System Board and Police and Fire Retirement System Board were present.

Trustees present: (ERS), Dedic, Good, Houghton, Kraus, Munroe, D. Parker, M. Parker. - 7.
(Police & Fire), Good, Rose, St. Aubin, Wilcox, Wohlfert, Wood. - 6

Others present: Karen E. Williams, Angela Bennett, Finance Department; Ken Lane, Clark Hill Law Office (representing the City Attorney's Office); George Tarlas, Asset Consulting Group.

The Joint Retirement Boards discussed having a Retirement and Health Care Conference in September 2017 at the Lansing Center. Trustee Mark Parker indicated that the last conference was held in 2013. Trustee Mark Parker suggested some possible September dates for the conference. He also suggested having a keynote speaker that have presented workshop at MAPERS conferences. The Board tasked Trustee Parker with finding suitable dates for the event.

Mr. George Tarlas reviewed the funding requirements for ABS Investments. The Police and Fire Retirement System and the Employees Retirement Systems would fund the ABS investments with the proceeds of the Private Advisors Investment portfolio that was terminated. Mr. Tarlas also provided an overview of upcoming ABS Investment Management 6th Annual Conference, May 3, 2017.

It was moved by Trustee Wilcox and supported by Trustee Rose to allow Police and Fire Retirement System members to attend the ABS Investment Management Annual Conference.

Adopted by the following vote: 6 - 0

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It was moved by Trustee Mark Parker and supported by Trustee Good to allow Employees Retirement System members to attend the ABS Investment Management Annual Conference.

Adopted by the following vote: 7 – 0.

Mr. George Tarlas distributed Asset Consulting Group's recommendation for quarterly cash flow withdrawals. Mr. Tarlas recommended that the Police and Fire Retirement System withdraw \$5 million from T. Rowe Price and \$3 million from Northern Trust S&P 500 Index Fund. Mr. Tarlas recommended that the Employees' Retirement System withdraw \$3 million from Earnest Partners and \$2.8 million from Lazard.

Karen Williams recommended \$10,000 from the Northern Trust Securities Account to the Comerica account for Board administrative expenses.

It was moved by Trustee Kraus and supported by Trustee Good to withdraw a total of \$5.8 million for the Employees Retirement System for quarterly cash flow needs, with \$3 million from Earnest Partners and \$2.8 million from Lazard as recommended by Asset Consulting Group, and \$10,000 from Northern Trust Securities Lending for administrative expenses.

Adopted by following vote: 7- 0

It was moved by Trustee Good and supported by Trustee Wood to withdraw a total of \$8 million for the Police and Fire Retirement System for quarterly cash flow needs, with \$5 million from T. Rowe Price and \$3 million from Northern Trust S & P 500 Index Fund, as recommended by Asset Consulting Group, and \$10,000 from Northern Trust Securities Lending Account for administrative expenses.

Adopted by the following vote: 6 – 0.

Karen Williams reported that the Employees' Retirement System Board and the Police and Fire Retirement System received transparency letters for the chairpersons to sign. The transparency letter state that Asset Consulting Group (ACG) seeks to comply with all applicable laws, regulations and policies concerning gifts and entertainment of public officials and public employees. The letter states ACG may provide occasional meals with the normal and ordinary course of business of the Board of Trustees that requires ACG's attendance, at a cost that may range from \$25 to \$100 per person per event.

Mr. Tarlas reviewed the market environment and total portfolio analysis. Mr. Tarlas discussed the financial performance of the Employees' Retirement System and the Police and Fire Retirement System for the period ending December 31, 2016. He provided an analysis of the portfolios equity, fixed income, and real estate investments. Mr. Tarlas reviewed the January monthly financial report.

Mr. Tarlas provided an overview of the Trustee Education schedule. The Board discussed a due diligence visit for Wasatch, Franklin Templeton and Western Asset. The proposed meetings would be in April if it could be arranged.

It was moved by Trustee Wilcox and supported by Trustee Wohlfert to excuse Trustee Fabus from Joint Retirement Boards February meeting.

Adopted by the following vote: 5-0.

The meeting adjourned at 11:15 a.m.

Minutes approved on _____

Angela Bennett, Secretary

Dennis R. Parker, Chairperson
Employees' Retirement System

Brad St. Aubin, Chairperson
Police and Fire Retirement System